

7. You indicate that \$500,000 will fund "new career programmatic opportunities for students from Western Montana who are interested in working in the healthcare field" and healthcare infrastructure at the new Missoula College to be constructed on the East Broadway campus.

a. What specific healthcare programs will be funded?

This gift will support the following healthcare programs offered at Missoula College:

- Medical Assisting
- Nursing
- Pharmacy Technology
- Radiologic Technologist
- Respiratory Care
- Surgical Technology

b. Have these new programmatic opportunities been authorized by appropriate University officials and the Board of Regents?

All programs at Missoula College, including those listed above, have been fully approved by the Montana Board of Regents in accordance with Board policy. Approval requires multiple steps, including approval by the faculty of the college, UM's Academic Standards and Curriculum Review Committee, the University's Faculty Senate, the provost, the Academic Committee of the Board of Regents and finally by the full Board of Regents. Programs cannot be offered without completing the entire review process.

c. For purposes of these programs, how is "Western Montana" defined?

Please see the definition in the Gift Agreement, Exhibit A.

d. Will these programs be available for students who are not from "Western Montana"?
Yes.

If so, how will the \$500,000 be accounted for to benefit only students from CMC's service area?

Like CMC, we serve the people of Western Montana. For the fall semester 2014, 93% of Missoula College students were Montana residents, with 85% percent of those coming from Western Montana. Sixty-one percent are from here in Missoula. These figures demonstrate that the vast majority of those who will benefit from the \$500,000 contribution are Western Montanans.

Furthermore, this contribution benefits not only students in CMC's service area but also residents of Western Montana.

The Montana Healthcare Workforce Statewide Strategic Plan (2011) [the Study] grew out of a concern for the health care needs of the state. The very first strategy referenced for providing high-quality, accessible care for Montana's rural populations is to "provide training and education in frontier, rural and underserved communities through clinical rotations, distance education, cohorts, and onsite programs." The educational training process is crucial to providing important, extended services to the state.

e. What studies did the Board consider concerning the need for people educated in these healthcare programs to provide services in CMC's service area?

As referenced above, the Montana Healthcare Study is the primary reference document used to create a strategic plan to address the rural healthcare needs of Montana. The Study notes that the Montana Office of Primary Care has found Health Profession Shortage Areas (HPSAs) in all but four counties in the State of Montana. See, Study, page 69. The Study identifies shortages in each of the following health professions, all are proposed beneficiaries of the subject gift:

- Medical Assisting (See Study, page 19)
- Nursing (see Study, pages 35 for CNAs, Home Health Aides and Personal Care Aides, and pages 44-49 for LPNs and RNs)
- Pharmacy Technology (see Study, pages 49-51)
- Radiologic Technologist (See Study, page 19)
- Respiratory Care (See page 19)
- Surgical Technology (See Study, Page 20)

To what extent did the Board consider data indicating that this need is not being satisfied by other educational institutions?

Montana currently faces a shortage of health professionals of all types, particularly in rural areas. This shortage makes the need for additional training programs for healthcare providers self-evident. These programs are either not being provided in Western Montana, or the programs that do exist are insufficient to satisfy the projected needs of Western Montana for the various professions. A review of the Study shows that no education programs exist for the service area that offer an

associate degree in these areas. Other programs exist in Montana, but none in the service area.

f. What data did the Board consider indicating students who complete these studies will stay within CMC's service area and provide healthcare services? Using studies provided by the Billings Regional Health care system, we determined that up to 70% of residents who completed their training in rural areas stayed in those areas. This is an exceptionally high retention rate. And the study reflects MT numbers and research. The cost of attracting physicians to underserved areas is significantly higher than the cost to train and place physicians there. The same is true of healthcare providers in general. By funding rural rotations for healthcare training programs and residency programs, we will place more physicians and health care providers in rural and underserved areas.

g. What studies did the Board consider concerning the need for "healthcare infrastructure"? Specifically, what infrastructure is the Board proposing?

Founded in 1967, Missoula College has been part of the larger Montana University System since 1987 and became an academic unit of the University of Montana in 1994. Over the past five years, two-year education has been a top priority for the Board of Regents, as the Montana University System works to be responsive to workforce needs in a variety of areas, including health care.

The facilities on Missoula College's campus were constructed almost fifty years ago and are inadequate both in size and quality for today's educational needs. To provide students a better learning environment, the University worked to ensure that a new campus was part of the Regents' Long Range Building Plan (LRBP) and was identified as its top priority for the last Legislative session. The Regents submitted the LRBP proposal to Governor Schweitzer, who included it in his budget proposal to the Legislature. The Legislature approved the project and appropriated \$29 million with the expectation that an additional \$3 million would be raised to fully fund construction. The new building will be constructed on East Broadway, across the Clark Fork River from UM's mountain campus.

The \$500,000 requested in the Community Medical Center transaction will be used toward that cost-match, specifically directed at building the space for the healthcare programs indicated above. This includes approximately 5,000 square feet for simulation labs, where students practice clinical care techniques on mannequins, and a respiratory therapy lab, where students can observe the most current technical aspects of respiratory care.

The Board relied upon the expertise of the University of Montana and the Missoula College in determining whether or not healthcare infrastructure was necessary in order to provide health profession programs. CMC was considering this gift prior to the execution of the Asset Purchase Agreement, as a proper use of CMC funds.

h. What services will the UM Foundation provide in exchange for the 6% (\$30,000) fee?

The Foundation will provide all account management, including but not limited to: ensuring funds are properly recorded and expensed in keeping with donor intent; providing reports to UM designees regarding receipts and expenses; and providing investment decisions. Also, the Foundation will provide marketing, communications and fundraising to match and leverage this fund that we may obtain other gifts to provide additional equipment, maintenance, and scholarship support for Missoula College students.